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March 15, 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**BY HAND**

William F. Caton, Acting Secretary  
Federal Communications Commission  
445 12th Street, SW, TW-A325  
Washington, DC 20554

**EX PARTE  
PRESENTATION**

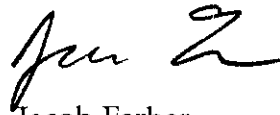
**Re: CC Dkt. No. 01-339 /**

Dear Mr. Caton:

On March 14, 2002, John Ivanuska, VP Regulatory & Carrier Relations of Birch Telecom, Inc., and the undersigned of this law firm met with the Common Carrier Bureau staff members who are listed below as receiving copies of this letter. We discussed Birch's history as a company, its plans for future grow, and the role the unbundled network element platform ("UNE-P") plays in Birch's plans, both as a transition mechanism to a facilities-based strategy and as a long-term service vehicle. The attached materials, which summarize our presentation, were distributed at the meeting.

If you need any further information, or have any questions, please do not hesitate to call me.

Sincerely,



Jacob Farber

Enclosure

cc: Jonathan Reel  
Jeremy Miller  
Christine Newcomb  
Henry Thaggert  
Ian Dillner  
Julie Veach  
Rob Tanner  
Dennis Johnson  
Daniel Shiman  
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**March 14, 2002**

John Ivanuska  
Vice President Regulatory & Carrier Relations

**Powerful Brand Image**



**100% of our customers  
fired Southwestern Bell.**



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**THE BIG PHONE COMPANY DOESN'T WANT  
YOU TO READ WHAT'S UNDER HERE.**



Your business' best friend.

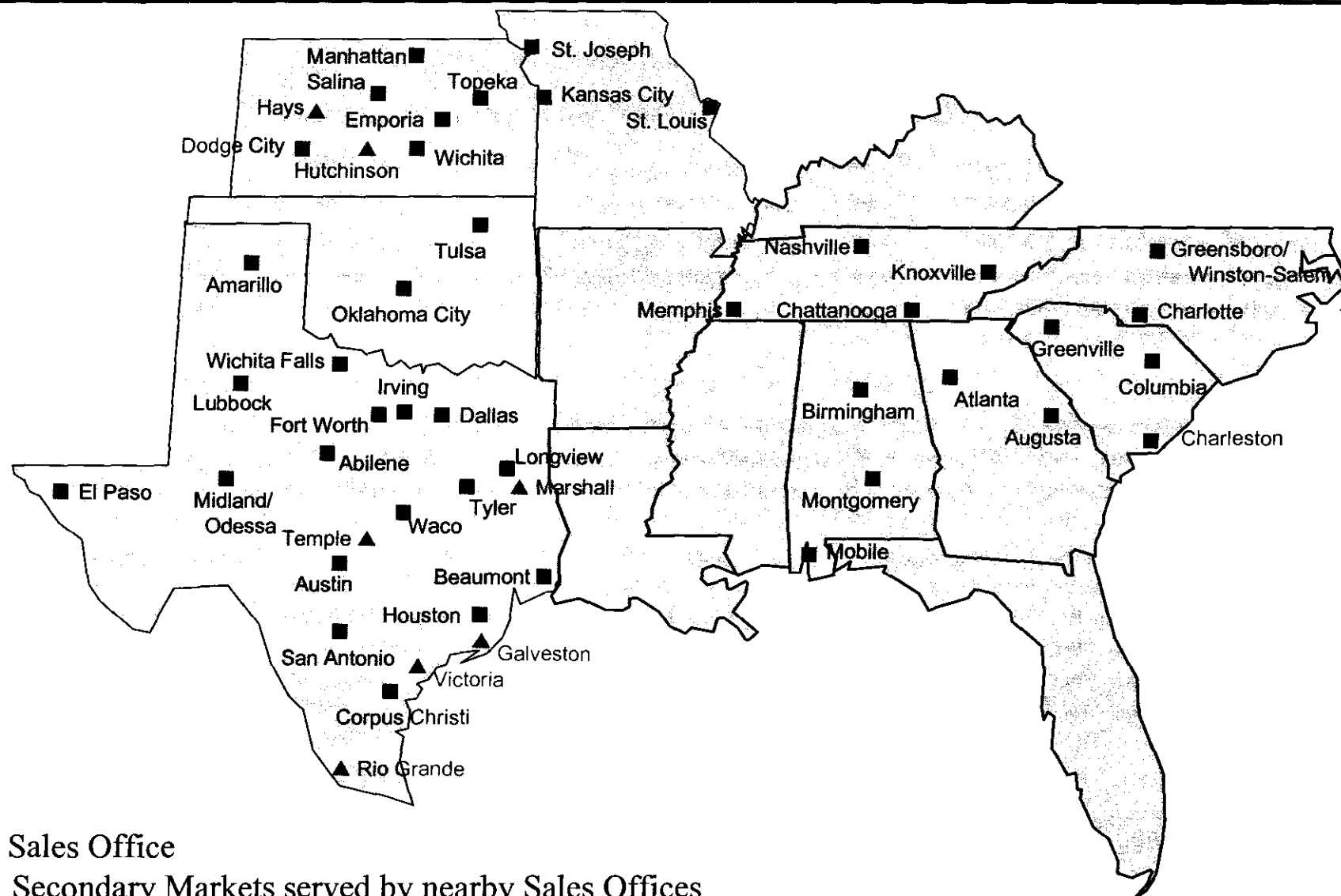
## **Birch Brings Advanced Services to Unserved Customers and Markets**

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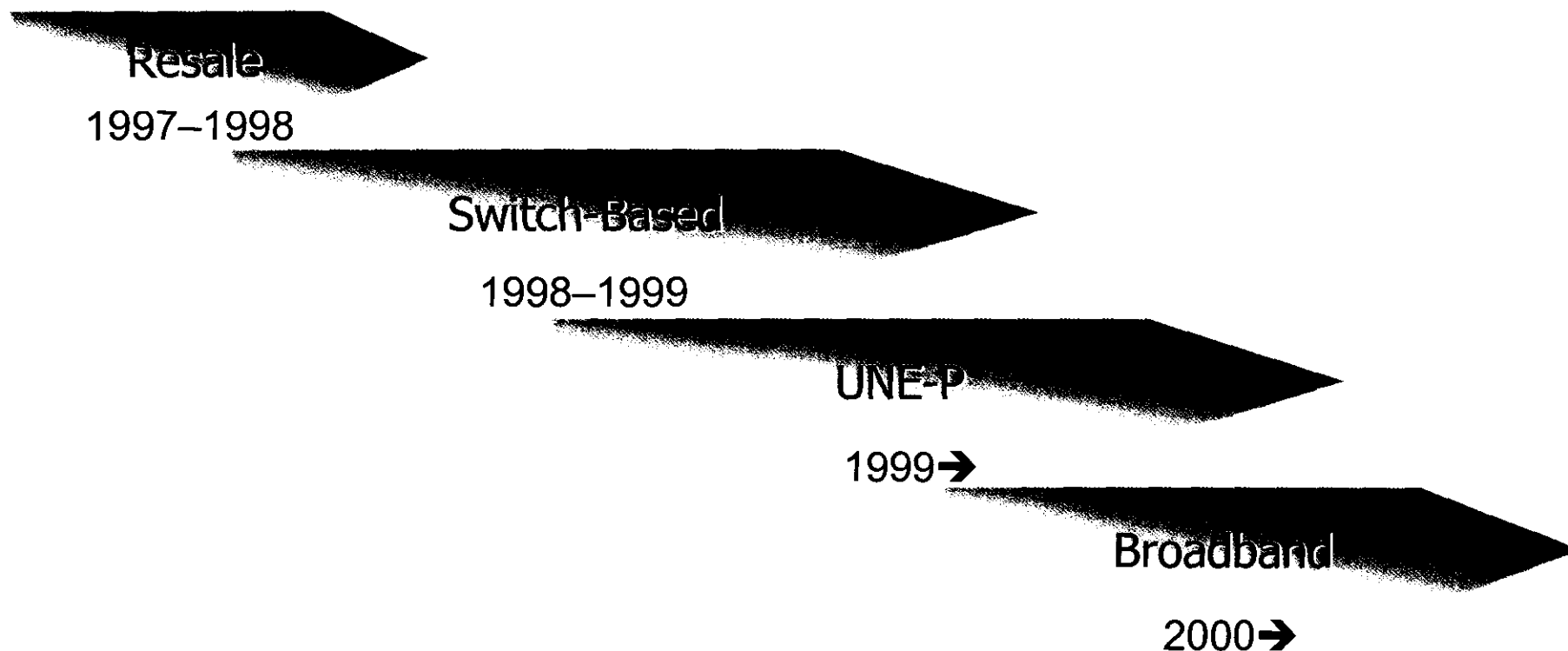
- Birch serves over 100,000 customers with over 350,000 lines.
  - Birch serves the lost market - customers and areas that would otherwise not see the benefits of competition.
    - Birch targets small businesses and serves residential customers as well.
    - Birch serves outer suburbs and small towns, as well as the dense business districts of large cities.
    - Unrestricted availability of unbundled switching in its markets has allowed Birch to serve all types of customers throughout a metropolitan area and in smaller towns. Without the ability to serve customers in the most dense portions of big cities, Birch could not afford to serve secondary markets.
  - Birch offers an integrated suite of valued-added services.
    - Birch offers local and long-distance voice services, but also provides dial-up Internet access, dedicated Internet access services through T-1s and high-speed DSL circuits (SDSL), web hosting and design services, and customer premises equipment, including key systems, PBXs, routers, and integrated access devices for its integrated voice and data offerings.
    - Birch's target customers typically don't have a dedicated telecom manager, usually don't have a network administrator on staff, and often don't even have an office administrator to handle the telecom and Internet access needs of the business. Without Birch, these customers are unlikely to wade through the maze of multiple service and equipment vendors necessary to integrate these services, even if available. Birch's integrated service and product offerings allow very small businesses and home offices to obtain all the benefits of advanced voice and data products that typically are available only to much larger enterprises in larger cities.
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## Where We Serve



## Birch's Service Evolution

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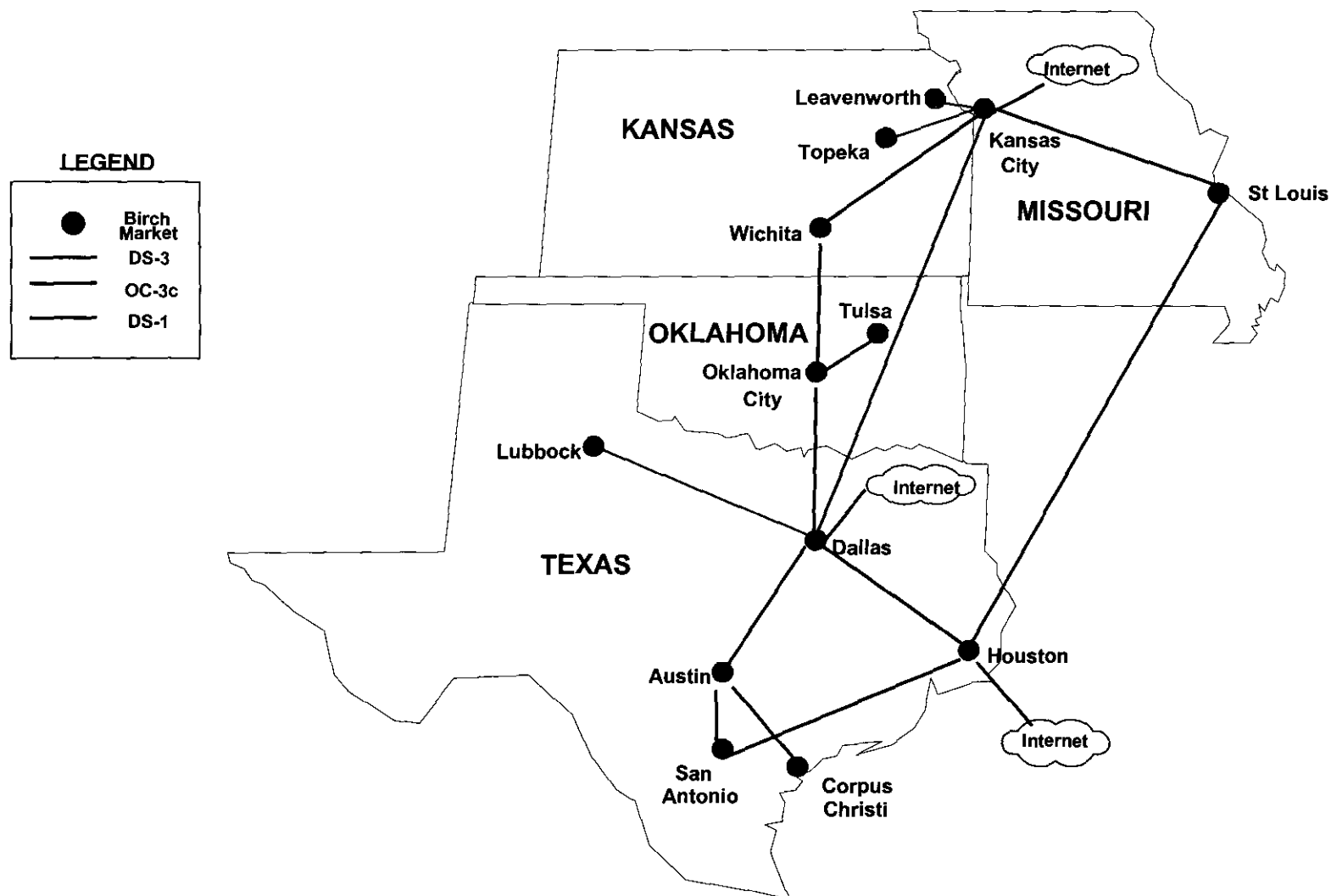
- Birch began providing service in St. Joseph, Missouri and smaller communities in Kansas in 1997 through resale.
  - Birch installed switches in 1998 in Kansas City, St. Louis, and Wichita.
  - Birch was a UNE-P pioneer in Texas, using its experience there to expand with UNE-P to Missouri, Kansas and Oklahoma, and eventually to the states it serves in the BellSouth region.
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## **Birch's Facilities-based Strategy**

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- Circuit switches currently in place in three markets serving customers at DS1-size and above.
  - Long-distance network operational.
  - ATM switching network operational.
  - Have replaced resold DSL in Southwestern Bell states with Birch's own DSL network.
    - 158 collocations in place in Southwestern Bell central offices.
    - Provisioning DSL customers in Texas, Missouri, Kansas, and Oklahoma.
    - Broadest DSL coverage of any provider in our markets.
  - Will deploy softswitches.
    - Have tested various vendors' products in proof of concept laboratory for 18 months.
    - Softswitch is currently being beta tested outside the lab at Birch employee residences.
    - Financial markets reopening for telecom investment is the second piece of the puzzle.
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## Birch's ATM Backbone Network



## **Birch's Softswitch Proof-of-Concept Lab**

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- Commissioned in August 2000.
- 2500 square foot central office grade facility.
- Simulates a scale version of the Birch production ATM/DSL network.
- Designed to support 2 concurrent softswitch trials.
- Began first softswitch evaluation in September 2000; second switch installed in August 2001.
- Testing reliability, scalability, feature-set and OSS capabilities.

## **Birch's Next-Generation Facilities-Based Objectives**

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- Improve margins through increased network efficiencies, allowing Birch to serve small customers economically over its own facilities.
- Provide compelling new features and services to those who haven't been able to receive them from the incumbent or the "big business" CLECs.
- Bring the tools of big business to Birch small business and residential subscribers.

## **UNE-P Is Critical for Birch's Transition to Facilities-based Service**

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- Softswitches are still on the horizon. Full commercial deployment cannot be expected in the near term.
  - UNE-P allows carriers to get into the market now, and begin to build the customer base, revenue stream, and real-world experience that are critical to long-term success.
  - Circuit-switch deployment is not an alternative: it is not viable to serve the mass market and, in any case, there is no funding available for circuit switching and it does not appear that this will change in the foreseeable future.
  - The bottom line: if there is going to be mass market competition for the foreseeable future and until funding is available for broad softswitch deployment, it is going to continue to come from UNE-P providers.
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## **Birch's Long Term UNE-P Objectives**

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- Continue to serve those portions of the Birch embedded customer base where softswitches are uneconomic.
  - Continue to serve those portions of the markets currently served by Birch where softswitch is not yet present or is not economically viable.
  - Utilize as the primary geographic expansion tool in secondary and tertiary markets in those RBOC Regions where Birch is already present
  - Utilize as a means of expanding into RBOC Regions not yet served by Birch (e.g., SBC - Ameritech).
  - Utilize as the platform from which to access RBOC AIN switch triggers, thereby enabling the creation of enhanced functionality via remote triggers.
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